

Approved January 20, 2021

Clarke County Economic Development Advisory Committee
December 2, 2020 Minutes

A meeting of the Economic Development Advisory Committee (EDAC) held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Wednesday, December 2, 2020, at 1:00 pm.

Board: Chris Bates, Christina Kraybill, Bev McKay, John Milleson, Betsy Pritchard (via phone), Lee Sheaffer,

Absent: Christy Dunkle, Lori Mackintosh

Staff: Chris Boies, Felicia Hart, and Cathy Kuehner

Press: Mickey Powell – The Winchester Star

Also Present: Dianne Harrison, Bill Waite

1. Call to Order

At 1:00 pm, Chairman John Milleson called the meeting to order.

2. Adoption of Agenda

Bev McKay, seconded by Lee Sheaffer, moved to adopt the agenda as presented. The motion carried by the following vote

Chris Bates	-	Aye
Christy Dunkle	-	Absent
Christina Kraybill	-	Aye
Lori Mackintosh	-	Absent
Beverly B. McKay	-	Aye
John Milleson	-	Aye
Betsy Pritchard	-	Aye
Lee Sheaffer	-	Aye

3. Approval of Minutes

– Christina Kraybill requested the minutes be corrected to reflect she was present via phone.

Betsy Pritchard, seconded by Christina Kraybill, moved to approve the September 16, 2020, minutes as amended. The motion carried as follows:

Chris Bates	-	Aye
Christy Dunkle	-	Absent
Christina Kraybill	-	Aye
Lori Mackintosh	-	Absent
Beverly B. McKay	-	Aye
John Milleson	-	Aye
Betsy Pritchard	-	Aye
Lee Sheaffer	-	Aye

4. Discussion on Economic Development Structure

Highlights Include:

Chris Boies

- Staff participated in the Virginia Industrial Development Authority and the Virginia Institute of Economic Development Webinar through Virginia Tech on November 16 & 17, 2020. All board members were invited to attend; Christina Kraybill was able to participate. Chris Boies presented a slideshow to the committee. Copies of those slides can be found in Attachment A at the end of these minutes.
- Clarke County's current structure consists of
 - o the Economic Development Advisory Committee (EDAC),
 - o the Industrial Development Authority (IDA),
 - o the Berryville/Clarke County Joint Committee on Economic Development and Tourism (sometimes referred to as the MOU Committee), and
 - o non-governmental organizations such as
 - The Top of Virginia Chamber,
 - Berryville Main Street,
 - Barnes of Rose Hill,
 - Historical Association,
 - Equine Alliance,
 - and others we work with as part of economic development.
- The EDAC was originally discussed and appointed by the Board of Supervisors in 1999/2000 timeframe.
 - o The initial charge was to review revenue needs for the County, offer revenue generation ideas, and offer the Board of Supervisors, County Administrator, and the Economic Development Director advice concerning economic development activities.
- The IDA is a legal entity created by the Board of Supervisors that has authority granted to it by the Code of Virginia.
 - o Legally, the IDA has special powers that the Clarke County government cannot do, such as make grants to private entities, buy, sell, and lease property without the need of a public hearing, issue tax-exempt bonds for the benefit of private entities, make and forgive loans to private entities, etc. Much of this has been done in the past.

- Not legally, they should be the economic development cheerleaders for the community, the business community's eyes-and-ears; they should help the Board of Supervisors analyze opportunities to determine general needs, etc.
- The Berryville/Joint Committee on Economic Development and Tourism (MOU Committee) is a joint committee between the Town and the County.
 - Started a few years back because neither the Town of Berryville nor the County was big enough to do economic development independently.
 - Berryville is the main location in Clarke County, where economic development will occur.
 - It consists of two (2) members of the Board of Supervisors and two (2) members of the Berryville Town Council, whose job is to ensure the joint effort and cooperation of economic development activities in and around the Town of Berryville.
 - The goal is to provide one (1) direction to the Economic Development Director as both the Town and the County jointly fund the position.
 - This is a decision-making group.
- Lessons learned through the webinar:
 - Basic functions of an Economic Development program for localities
 - 1) Placemaking & Tourism
 - About showcasing what makes us special as a community.
 - This is a two-part effort, the first being Tourism - bringing people to the community. The second, Placemaking, is becoming more important to new businesses; the number one factor for economic development is talent and available workforce in the community.
 - Businesses will not locate where they cannot find quality employees to go to or are currently available.
 - Communities with high crime rates, lots of poverty, poor school systems - those locations are not being looked at for development. Quality of life is important for both tourism and business retention and attraction efforts.
 - We thrive in this area; our schools are excellent and have fairly low student to teacher ratios,
 - Also looked at healthcare, events, recreation, neighborhoods, community pride, etc.
 - 2) Business Retention and Expansion
 - A study done by the Virginia Economic Development Partnership showed that 67% of business expansion announcements were from an existing Virginia business expanding. 68% of job announcements were from existing Virginia businesses. 54% of capital investment announcements were from existing Virginia businesses.
 - Not yet formally discussed, an idea would be to create a program that involves the Directors of the IDA meeting with so many businesses each year. They would be responsible for reaching out to and engaging with what the businesses need to make them more successful.

- Felicia Hart has done much of this kind of work getting in with large business employers in the County to see what help they need and how she can help.
- 3) Growing Your Own
 - Research shows they need an extensive support network.
 - A high percentage of small business fail within the first two (2), five (5), ten (10) years.
 - The Lord Fairfax Small Business Development Center is a great resource. Felicia Hart has helped connect business owners with this source of assistance more in the last year than we have in the past.
- 4) Business Attraction
 - This is the most expensive endeavor, but most go after it because it comes with the bigger headlines.
 - It's very competitive because localities have robust incentive programs to get someone in there; Clarke County has been much more disciplined in our approach.
 - The current focus has been on already zoned vacant properties and buildings currently available for sale or sitting vacant. We are trying to do a targeted small scale business attraction because we are not trying to build out our community.
- Regional Perspective of Economic Development
 - Businesses are not always looking at jurisdictional boundaries but at regions, because they will draw a workforce from other counties surrounding where they base their operation.
 - Clarke has established a formal MOU with Frederick County and the City of Winchester. If the State has a potential business they want to send you, they must partner with other localities, so they do not have to deal with 95 counties.
 - Felicia Hart has weekly calls with this group; since COVID-19 has come about, they have helped coordinate efforts within the region, shared ideas – it's a great relationship overall.
 - Clarke is a part of the Virginia Economic Developers Association; we are also partners with the Shenandoah Valley Tourism Partnership and the Shenandoah Valley Travel Association.
 - Tourists may not look at Clarke County specifically, but they will look at our region as a whole as a place to visit.
- Projects in and around Berryville
 - Board of Supervisors and Town Council sends two (2) reps to the MOU committee.
 - The MOU committee provides the Economic Development Director goals each year they want to be accomplished.
 - How can the IDA help?
 - IDA (Industrial Development Authority) could turn into an EDA (Economic Development Authority) and have the same authorities as before. EDA is a more comprehensive term by today's standards.

- IDA would focus on
 - Business Attraction - because they have the tools to do this.
 - Business Retention - creating a formal program and having the IDA Directors meet with businesses biannually.
 - Business Expansion – helping existing businesses grow.
 - How can the EDAC help?
 - Is better suited to do Placemaking, Tourism efforts, Small Business Marketing, work with the downtown merchants, work with Berryville Main Street.
 - This could give this group a targeted approach to help us accomplish our economic goals.
 - This has not yet been discussed with the Board of Supervisors or the Industrial Development Authority. This is a preliminary discussion to get thoughts, ideas, and feedback.
- Projects outside Berryville
- Example areas, Waterloo or the Double Tollgate areas, the MOU committee will not be involved with that because it is outside the Town limits.
 - The breakdown of duties would be the same with the exception that this group will work directly with the Board of Supervisors.
 - Yearly direction would come from the Board of Supervisors.
 - Give advice back to the Board of Supervisors on what projects you feel should be funded, what concerns are being voiced in the community, what is being heard on the ground, where the financial needs are for budgeting purposes, etc.
- Research into surrounding jurisdictions
- Frederick County has an EDA, partners with the City for a joint Tourism Board.
 - Winchester has an EDA, partners with Frederick County for a joint Tourism Board.
 - Warren County has an EDA, partners with the Town on tourism.
 - Shenandoah County as an IDA and a Tourism Council.
- Discussion
- Christina Kraybill
 - Did not expect the workshop to be all about the IDA.
 - Started questioning her place in listening, but a key term she heard was "economic gardening," which resonated with her.
 - In her opinion, it is the EDACs job to encourage growth, figuring out what works and what does not.
 - Felt inspired on the second day; most households' number one financial resource is the home, the second is a small business of some sort.
 - A lot of households are operating a small business that could turn into something much larger, but the EDAC does not know about it.
 - Feels comfortable with the proposal and focuses the IDA on larger businesses that need more resources and the EDAC on the smaller businesses.

- Questioned that during the training, it was mentioned there was a database all vacant properties should be listed on but was unaware of where that was. Felicia Hart responded it is a State database that we are currently working on. The past year and a half have had a major push to get that information up to date.
- Chris Bates
 - A frequent question he's had is who follows up with the State to see about businesses that can fit into Clarke County?
 - Chris Boies responded he felt the region is good at understanding who is the best fit for a particular need. Does not get the impression that businesses are being withheld from Clarke County because they want to be sure the company comes somewhere in the region. Felt the locality might get one (1) out of 100 because there are so many localities and States competing.
 - Reiterated that he did not feel Clarke County has gotten anything back that anyone has followed up on or been able to follow up on.
- John Milleson
 - Has always felt this committee was underutilized, and the Board of Supervisors was checking a box, so to speak, so they created this group.
 - Felt there would be confusion if there were an EDA and an EDAC to which Chris Boies agreed.
 - The past six months have brought the term "placemaking" to the forefront.
- Bev McKay
 - Agriculture is not talked about enough.
 - Clarke has an enormous amount of Agriculture – crops, dairy, beef, equine, etc. Agriculture survives in spite of a lack of infrastructure.
 - Felt we should look into businesses that support agriculture.
 - A slaughter plant could be an excellent option for Clarke County

5. 2020 Annual Business Tour Discussion

Highlights Include:

Felicia Hart

- Tiffany Kemp has reached out to a list of vendors to inquire into their desire to participate in this year's tour. We are still waiting to hear back from them.
- If we were to participate in all business listed, the tour would take 3-4 hours to complete.
- The biggest question is, are we comfortable doing this due to rising COVID-19 numbers? Asked if this should be put off until the spring.

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- Bev McKay requested we do the tour in southern Clarke as the last year or two has been in and around Berryville. Also suggested we do this tour twice a year to promote this a bit more.
- John Milleson stated he would be comfortable doing a December tour if the locations could be outside, not comfortable inside at this time. Did like the idea of doing this twice a year.
- After a discussion, it was decided to postpone the tour until spring to set a good example. Staff will research new dates for spring and fall of 2021.

Staff To-Dos:

- Add a topic of discussion to January 2021 agenda - number of meetings in 2021.
- Look into Spring dates for the Business Tour

6. Next Meeting

January 20, 2021, Organizational Meeting

7. Adjournment

Being no further business, at 1:50 pm, Chairman John Milleson adjourned the meeting.

Minutes recorded by Chris Boies and transcribed by Tiffany R. Kemp, Clerk

Economic Development Advisory Committee

12-2-2020

Discussion on Economic Development Structure

Current Structure

- Economic Development Advisory Committee (EDAC)
- Industrial Development Authority (IDA)
- Berryville-Clarke County Joint Committee on Economic Development & Tourism (MOU Committee)
- NGO's
 - Top of Virginia Chamber of Commerce
 - Downtown Berryville
 - Barns of Rose Hill
 - Historical Association/Mill, Equine Alliance, Farmer's Market, Fairgrounds, and Many Others

EDAC

- Discussed/appointed by BOS around 1999/2000. Initial charge was:
 - Review revenue needs and offer ideas for revenue generation
 - Offer advice to BOS, county administrator, economic development director concerning economic development activities

IDA

- Legal entity created by BOS with authority granted by Code of Virginia
 - They have special powers localities don't
 - Make grants to private entities
 - Buy/Sell/lease property without public hearing (develop industrial parks)
 - Issue bonds for benefit of private entities
 - Make loans to private entities/forgive repayment of those loans
- They are also the economic development cheerleaders, eyes/ears of the business community, help elected officials analyze opportunities, determine needs, and generally keep them informed on the status of the business community.

MOU Committee

- Two members of BOS, two members of town council
- Ensure joint efforts/cooperation on economic development activities in and around the Town of Berryville
- Provide ONE direction to the economic development director
- Ensure joint funding of economic development position

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Basic Functions of a Local Economic Development Program

- Placemaking/Tourism
- Business Retention/Expansion
- Growing Your Own-small business/entrepreneurs
- Business Attraction

Placemaking/Tourism

- Showcasing your community's special attributes/vibrancy
- Two-fold effort-bring people to your community to visit, spend money, then go home/also key for existing and new businesses
- Talent/Workforce number one business concern for expansion/relocation
- Quality of Life-schools, health care, events, recreation, neighborhoods, community pride, etc.

Business Retention/Expansion

- 2019 VEDP: 67% announcements, 68% of job announcements, and 54% of capital investments were from existing Virginia businesses
- Need a coordinated program, site visits, check-ins
- Anticipate local business needs/identify problems before
- Build strong business climate/create business champions
- Support structures/business coordination and connections
- Strategies/Approach different for corporate vs downtown business

Growing Your Own-small business/ entrepreneurs

- Extensive support networks needed
- High percentage of failure in first two years
- Business incubators
- Educational programs for would-be entrepreneurs
- Small Business Development Center at LFCC

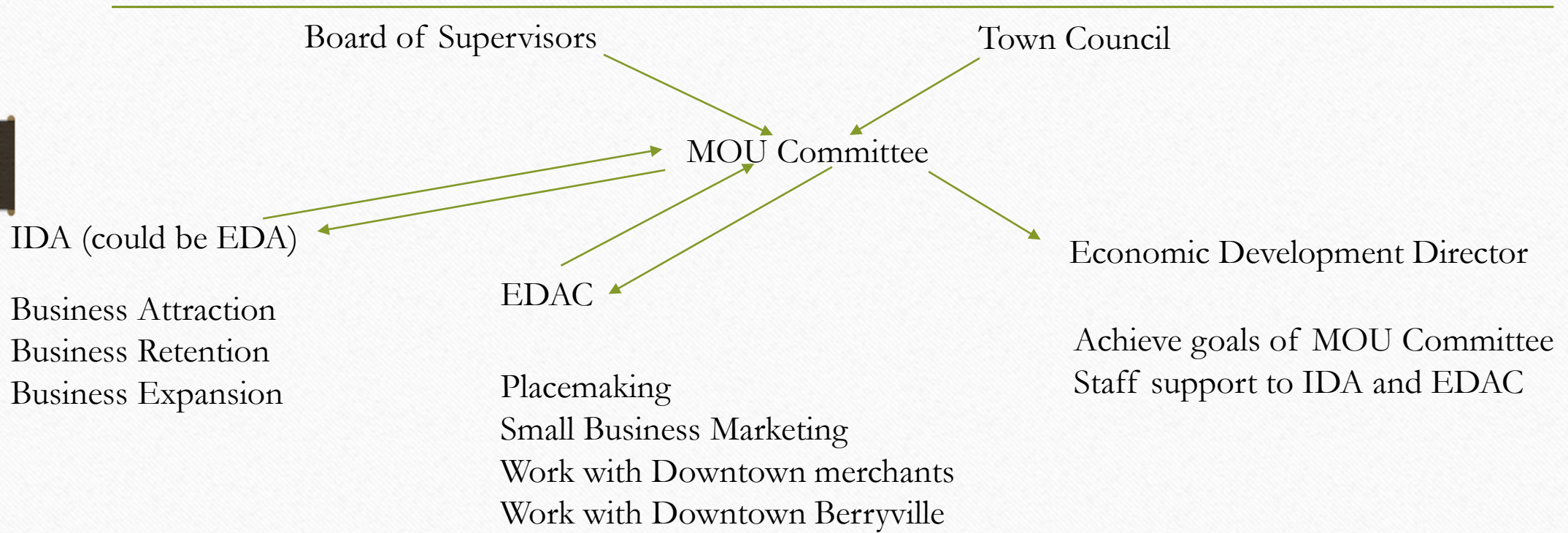
Business Attraction

- By far most expensive endeavor/most visible headlines
- Very competitive-localities with strong incentive programs
- In Clarke, very targeted and limited due to strong Comprehensive Plan (ensures we maintain sense of place). Focus right now on already zoned vacant properties/buildings.
- History of very successful business park

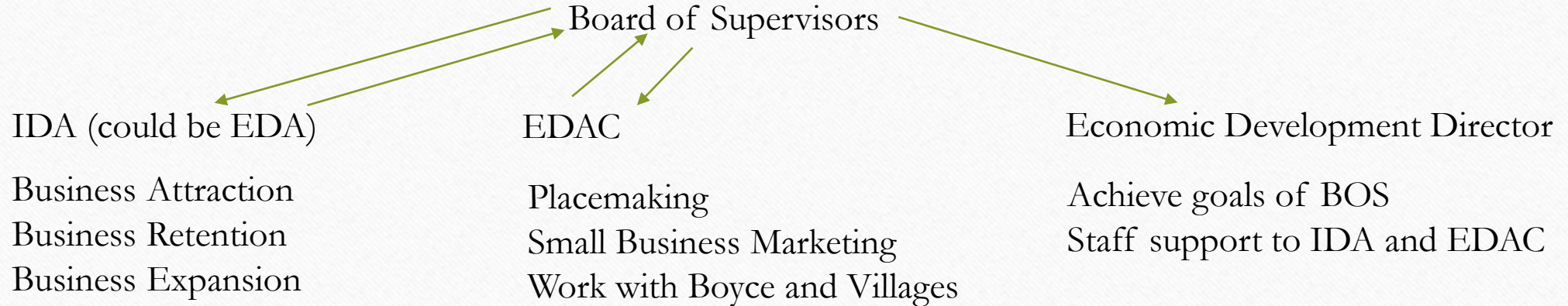
Regional Perspective

- Businesses look at regions/not jurisdictional boundaries
- Established relationship with Frederick County and City of Winchester
- Coordination with State (Virginia Economic Development Partnership and Virginia Economic Developer's Association)
- Shenandoah Valley Tourism Partnership
- Shenandoah Valley Travel Association

Projects in and around Berryville



Projects outside of Berryville



Thoughts, Questions, Input??
